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Research on the bottleneck and cracking countermeasures of residents' consumption expansion and quality improvement in Binzhou

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Abstract: *Under the background of global consumption structure upgrading and the deepening of China's "dual circulation" strategy, consumption expansion and quality improvement have become a core proposition for regional high-quality economic development. Taking the two districts, four counties, and one city" of Binzhou as samples, this study systematically analyzes the bottlenecks and solutions for the residential consumption market from the dual perspectives of supply and demand. Theoretically, it constructs a supply-demand collaborative analytical framework to reveal the intrinsic logic of the dynamic matching between supply quality and demand hierarchy. The study identifies deep bottlenecks: on the supply side, there exists " path dependence" in traditional industrial transformation and "institutional roots" for insufficient supply of new business forms; on the demand side, there is a dual suppression of "precautionary saving motives" and "consumer credit constraints"; the root of supply-demand mismatch lies in information asymmetry and institutional transaction costs. Accordingly, systematic countermeasures are proposed: on the supply side, promote industrial digital upgrading and consumption scenario innovation; on the demand side, deepen income distribution reform and build an inclusive consumer finance support system; finally, through constructing a government-enterprise data sharing platform and a "demand forecasting-supply response" dynamic mechanism, achieve efficient supply-demand synergy, providing theoretical support and practical paths for Binzhou and similar cities.*

Keywords: *Residential consumption; Consumption expansion and quality improvement; Supply side; Demand side; Binzhou; Policy synergy*

1. Introduction

Against the dual background of accelerating global consumption structure upgrading and deepening domestic economic transformation, consumption expansion and quality improvement have become a core proposition for promoting high-quality regional economic development. This study focuses on Binzhou, a strategic pivot of the Yellow River Delta economic zone, and systematically analyzes the internal logic and practical pathways of consumption market expansion and quality improvement from the perspective of coordinated evolution between the supply side and the demand side, providing theoretical support and policy implications for breaking regional consumption development bottlenecks.

1.1. Structural changes under the global consumption upgrading trend

Currently, the global consumer market is undergoing a profound transformation from "scale expansion" to "quality leap." Developed countries, through technological innovation and business model iteration, continue to promote personalized, experiential, and green consumption demand. Developing countries, relying on the rise of the middle class and urbanization, are generating new growth points in service consumption, quality consumption, and digital consumption. For Binzhou, these trends imply both the risk of traditional consumption models being replaced and the opportunity to integrate into global value chains through supply upgrading. From the supply side, global consumption upgrading forces local industries to transform toward high-end and differentiated development. From the demand side, changes in residents' consumption preferences require the market to provide more precise and more efficient supply matching.

ISSN 2616-5902 Vol. 8, Issue 9: 111-118, DOI: 10.25236/AJBM.2026.080913

1.2. Regional consumption positioning in the domestic dual circulation strategy

China's economy relies mainly on the domestic great circulation in both supply and demand, with the degree of internal circulation continuously increasing and that of external circulation continuously decreasing [1]. Currently, China's new "dual circulation" development pattern takes expanding domestic demand as the strategic base point, emphasizing consumption upgrading to guide supply system optimization. As a junction of the Bohai Economic Rim and the Yellow River Delta Eco-economic Zone, Binzhou's consumer market development has a dual mission: on the one hand, it needs to enhance local industrial competitiveness through supply-side structural reform and reduce dependence on external markets; on the other hand, it needs to expand regional consumption radiation by releasing demand-side potential and build a development pattern linking internal and external dynamics. From the supply side, Binzhou's traditional industries (such as textiles and chemicals) need to break through homogeneous competition and extend toward the high end of the value chain. From the demand side, residents' income growth and upgrading consumption concepts require the market to provide diversified, high-quality goods and services.

1.3. Synergistic driving effect of the supply side and the demand side

Consumption expansion and quality improvement are essentially a process of dynamic balance between the supply side and the demand side. Supply-side reform, through technological innovation, industrial upgrading, and model innovation, improves the supply quality of goods and services and creates the material foundation for consumption upgrading. Demand-side management, through income distribution optimization, consumption environment improvement, and policy incentives, releases residents' consumption potential and provides market orientation for supply upgrading. Neither can be dispensed with. If the supply side lags behind, demand upgrading will lead to consumption outflow. If the demand side is suppressed, supply innovation will lack market support. Binzhou's consumer market currently faces contradictions such as "mismatch between supply structure and demand hierarchy" and "imbalance between traditional industries and innovation drivers," which urgently require breakthroughs through coordinated adjustment on both sides.

This study breaks through the traditional single-perspective analytical framework and constructs a theoretical model of consumption expansion and quality improvement from the dual perspectives of "supply side" and "demand side." Theoretically, it reveals the interactive mechanisms between the two sides in consumption upgrading and enriches the analytical dimensions of regional consumption economics research. Practically, targeting the dual constraints of "insufficient supply innovation capability" and "poor demand release channels" in Binzhou's consumer market, it proposes a collaborative solution of "industrial digital empowerment+consumption scenario innovation + supply-demand data sharing," providing a replicable transformation path for similar cities. At the same time, the research conclusions can provide decision-making basis for local governments in formulating consumption promotion policies and optimizing the business environment, and contribute to the implementation of the national strategy for ecological protection and high-quality development of the Yellow River Delta.

2. Theoretical Deconstruction of the Current Status of Residents' Consumption in Binzhou

2.1. Characteristics of the Supply-side Consumption Supply System

Traditional industrial supply capacity constitutes the foundational pillar of Binzhou's economic structure. The city has cultivated five major billion-level industries, namely high-end aluminum, high-end chemicals, ecological textiles, grain processing, and animal husbandry and fishery [2]. Despite their scale, these traditional industries continue to exhibit a three-dimensional nesting of "path dependence, technology lock-in, and value stratification," which collectively constrains their ability to adapt to evolving consumption demands. Path dependence originates from long-term production inertia built over decades of industrial development. In sectors such as textiles and chemicals, firms tend to follow incremental innovation patterns in equipment upgrading and process improvement, rather than pursuing radical technological breakthroughs. This gradualist approach, while reducing short-term risks, results in supply structure rigidity that locks production capabilities into the mid- and low-end product segments. Over time, the accumulated investment in existing machinery and routine workflows creates high switching costs, making it economically unattractive for firms to abandon established production lines. Consequently, the industrial base remains anchored to mature but increasingly obsolete

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technologies, failing to respond promptly to shifts in consumer preferences toward higher quality and more sophisticated goods. Technology lock-in further reinforces this rigidity. When external technological shocks or strong policy interventions are absent, enterprises naturally prefer to maintain their current technical trajectories, as any major upgrade entails uncertain returns and potential operational disruptions. This lock-in effect is not merely about production equipment; it also permeates management practices and organizational routines. Many traditional firms still operate under a "production-oriented" logic, prioritizing output volume over demand-responsive flexibility. The lack of incentives to adopt digital manufacturing, intelligent process control, or data-driven decision-making perpetuates a gap between what is produced and what the market increasingly requires. Value stratification describes the growing divergence within the traditional industrial base. Leading enterprises, often those with greater financial resources and access to external knowledge, are able to invest in technological upgrading and brand building, thereby moving up the value chain. They can introduce higher-value products, improve quality standards, and capture premium market segments. In contrast, small and medium-sized enterprises (SMEs) remain trapped in a "low quality-low price" competition model, competing primarily on cost rather than on differentiation or innovation. This polarization not only reduces overall industrial profitability but also undermines the collective capacity of the sector to meet the rising expectations of consumers. The transformation of traditional industries, therefore, requires breaking the "low-level equilibrium" trap that emerges from these intertwined constraints. However, such transformation is severely hampered by insufficient R&D investment, a shortage of skilled technical personnel, weak linkages between industry and academia, and a general lack of a supportive innovation ecosystem. Without substantial policy support and institutional reforms, the momentum for endogenous upgrading will remain limited.

Turning to the supply of new consumption formats, which include digital consumption, green consumption, the sharing economy, and other emerging business models, these are constrained by a three-dimensional framework of "market awareness, institutional environment, and technological maturity." Market awareness refers to the degree of consumer acceptance and familiarity with novel consumption patterns. For new formats to achieve critical mass, they must first overcome a startup threshold: early adopters are few, and extensive market education is needed to cultivate user habits and trust. This process is nonlinear and depends heavily on information dissemination channels, cultural predispositions, and the perceived convenience and safety of these new services. Without sufficient initial uptake, many innovative offerings fail to reach the scale required for sustainable operation. The institutional environment plays a decisive role in shaping the growth trajectory of new consumption formats. Policies, regulations, and legal frameworks must strike a delicate balance between encouraging innovation and mitigating potential risks. In Binzhou, however, policy support for emerging consumption sectors tends to be fragmented and inconsistent. For instance, subsidies for rural e-commerce often focus narrowly on logistics cost reduction, while neglecting foundational investments in digital infrastructure, data security, and workforce training. Moreover, hidden market access barriers, such as complex licensing procedures and ambiguous approval requirements, deter private capital from entering these fields. Weak intellectual property protection further erodes incentives for originality, as imitators can easily appropriate innovations without bearing the associated costs. These institutional deficiencies collectively stifle the vitality of new business models and slow their market penetration. Technological maturity, the third dimension, is not an absolute criterion but should be calibrated against actual market demand. Over-reliance on cutting-edge technology may lead to solutions that are sophisticated yet disconnected from consumer needs, whereas underdeveloped technology cannot deliver the required user experience. Therefore, the evolution of technological capabilities must be guided by real-world consumption signals, fostering a virtuous cycle in which demand pulls technological development and technology, in turn, enables new consumption possibilities. In Binzhou, the limited adoption of advanced digital tools, combined with insufficient data analytics capacity, constrains the ability of firms to offer personalized, efficient, and interactive consumption experiences. Finally, the synergy between traditional industries and new consumption formats is widely recognized as a key driver of supply-side upgrading. Traditional industries can provide the industrial base, logistical networks, and supply chain expertise that new formats require to scale up. Conversely, the rise of digital and green consumption creates strong backward linkages, compelling traditional producers to modernize their operations, adopt cleaner technologies, and embrace service-oriented business models. However, realizing this synergy demands deliberate efforts to overcome the path dependence and institutional rigidities that have long characterized Binzhou's industrial landscape. Without coordinated policy interventions, institutional innovation, and cross-sector collaboration, the potential complementarity between the old and the new will remain largely untapped, perpetuating the structural mismatch that hinders consumption expansion and quality improvement [3].

ISSN 2616-5902 Vol. 8, Issue 9: 111-118, DOI: 10.25236/AJBM.2026.080913

2.2. Paradigm Shift in Demand-side Consumption Behavior Patterns

Intertwining of rational and irrational factors: Residents' consumption decisions are rarely governed by pure rationality alone; instead, they reflect a complex interplay between deliberate calculation and spontaneous psychological, social, and cultural impulses. On the rational side, consumers routinely weigh price levels, income constraints, and the functional attributes of goods and services. For durable goods, for instance, families compare energy efficiency, maintenance costs, and expected lifespan before making a purchase. For basic necessities, price elasticity remains a key determinant, as households adjust their spending in response to fluctuations in disposable income. These rational choices follow a cost-benefit logic, yielding decisions that are relatively stable and predictable across similar income groups.

However, this rational framework is continuously challenged and supplemented by irrational influences that operate beneath conscious awareness. Cognitive biases, such as the framing effect and loss aversion, can distort the evaluation of risks and benefits. The widespread phenomenon of impulse buying during promotional events like "Double Eleven" is a classic case: consumers are driven not by genuine need but by the psychological salience of "limited-time discounts" and the fear of missing out on a perceived bargain [4-5]. Similarly, the herd effect, amplified by social media platforms, leads individuals to conform to the consumption patterns of their peers, often overriding their own initial preferences. The "internet celebrity economy" thrives on this dynamic, as influencers cultivate group identities that make followers feel compelled to purchase endorsed products to belong or to signal social status [4]. Cultural factors add another layer of complexity. In certain contexts, "face consumption"-spending to maintain or enhance one's social image-generates expenditure that bears little relation to utility maximization. Conversely, the growing embrace of green consumption reflects a cultural shift toward environmental consciousness, where consumers willingly pay a premium for eco-friendly goods, driven by values rather than price rationality. These non-rational elements are not anomalies; they are integral to modern consumer behavior and vary significantly across product categories and purchase contexts. For big-ticket items like automobiles or housing, rationality tends to dominate, as the stakes are high and information is actively sought. For discretionary spending on entertainment, fashion, or dining, emotional and social factors often take precedence. This duality imposes a dual requirement on the market: suppliers must simultaneously address functional performance (durability, safety, efficiency) and emotional resonance (brand storytelling, aesthetic appeal, social recognition). Products that neglect either dimension risk losing consumer favor, as today's buyers expect both tangible quality and intangible satisfaction.

Generational differences and group differentiation: Consumption preferences are also stratified by generational cohorts and socioeconomic subgroups, reflecting divergent life experiences, values, and resource endowments. Generation Z, born into the digital age, exhibits a marked preference for experiential consumption, personalization, and instant gratification. They gravitate toward immersive activities such as esports, cultural tourism, and novelty goods like blind boxes, and they value brands that align with their identity and social causes [6]. In contrast, baby boomers, who grew up in an era of relative material scarcity, place greater emphasis on product durability, cost-performance, and brand reliability. Their decisions are more deliberative and less susceptible to transient trends. This generational divide is not merely a matter of age; it represents a fundamental shift in value orientation — from security and stability to self-expression and shared experiences. Within the same generation, further differentiation emerges along lines of income, educational attainment, and urban-rural residence. High-income groups, regardless of age, tend to favor premium brands, luxury services, and status-signaling goods, viewing consumption as a vehicle for social distinction. Low-income groups, by contrast, remain focused on meeting basic needs and exhibit high price sensitivity, with little room for discretionary spending. The urban-rural cleavage adds another dimension: city dwellers, exposed to diverse consumption cultures and digital platforms, quickly adopt new formats like online food delivery, ride-hailing, and streaming services, whereas rural residents rely more on traditional retail channels and are constrained by limited product variety and inferior logistics. These intersecting cleavages create a highly fragmented consumer landscape. For market actors, this demands precision in product design, channel selection, and marketing communication— a one-size-fits-all approach is no longer viable. For policymakers, it underscores the necessity of inclusive measures that ensure basic consumption fairness, such as subsidizing essential goods for low-income households, improving rural distribution networks, and promoting digital literacy across all demographics. Only by recognizing and accommodating these multiple layers of heterogeneity can both the market and the state effectively foster consumption expansion and quality improvement for the entire population .

ISSN 2616-5902 Vol. 8, Issue 9: 111-118, DOI: 10.25236/AJBM.2026.080913

2.3. Theoretical Assessment of Supply-Demand Matching

Spatiotemporal mismatch effect: Supply quality upgrading frequently lags behind demand hierarchy upgrading, generating a persistent "demand spillover" effect. In temporal terms, when consumer preferences evolve from merely seeking functional utility to pursuing experiential, symbolic, and personalized value, the supply system often fails to keep pace. This lag is not accidental but structurally rooted: demand transformation is typically triggered by multiple factors — income growth, cultural shifts, technological exposure, and generational value changes — which operate in a nonlinear, often abrupt manner. For instance, once residents' disposable income surpasses a certain threshold, their spending priorities may swiftly move from durable goods to leisure, cultural tourism, and digital services. In contrast, supply adjustment follows a gradual, path-dependent trajectory constrained by existing industrial infrastructure, accumulated capital investment, and established technical routines. Enterprises cannot easily abandon their current production lines or retrain their workforce overnight; even when they recognize the need to upgrade, the transition entails high sunk costs, operational risks, and organizational inertia. Consequently, when local industries are unable to deliver the innovative, high-quality offerings that consumers increasingly desire, purchasing power flows outward to more advanced markets — a phenomenon clearly observable in Binzhou, where residents often travel to Jinan, Qingdao, or even Beijing for premium shopping, cultural events, and specialized services, leaving the local market underutilized. Spatially, the mismatch is equally pronounced. Central urban areas, benefiting from agglomeration economies, tend to accumulate an oversupply of retail outlets, entertainment venues, and modern commercial facilities, sometimes exceeding the effective local demand. Meanwhile, county-level districts and rural areas suffer from chronic undersupply: limited brand diversity, outdated shopping environments, poor logistics connectivity, and a scarcity of experiential consumption spaces. This spatial imbalance not only exacerbates regional economic disparities but also fragments the internal market, hindering the formation of a unified, efficient consumption ecosystem. The deep-seated cause of both temporal and spatial mismatches lies in the "path dependence" inherent in the supply system—the tendency to reproduce past production and distribution patterns regardless of changing market signals—combined with the "non-linear characteristics" of demand evolution, which makes future consumption trends difficult to forecast and harder to match through incremental adjustments alone. Breaking this cycle requires not only demand-responsive production strategies but also proactive spatial planning and infrastructure investment to rebalance supply across regions.

Information asymmetry suppression: Information asymmetry between producers and consumers operates as a major obstacle to efficient market functioning, generating both "adverse selection" and "moral hazard" that collectively undermine consumption quality and volume. In the adverse selection mechanism, when consumers cannot accurately observe the intrinsic quality of goods or services before purchase—a common situation in sectors such as fresh agricultural products, local catering, repair services, and even some durable goods—they tend to base their purchase decisions on observable but incomplete signals, such as price or brand reputation. This information gap creates a perverse incentive: high-quality producers, unable to credibly communicate their superior attributes, cannot command a premium price, while low-quality producers, offering cheaper alternatives, attract price-sensitive buyers. Over time, the market becomes flooded with inferior products, driving out authentic quality and eroding overall consumer welfare [7]. In Binzhou's agricultural markets, for example, organic produce and traceable specialty goods often struggle to gain market share because consumers lack reliable verification methods, whereas conventional, lower-priced products dominate, even if their safety and nutritional standards are less assured. The moral hazard dimension arises after the transaction, when producers may exploit their informational advantage through opportunistic behaviors such as false advertising, exaggerated claims, ingredient substitution, or substandard after-sales service. These practices, once detected, severely damage consumer trust, generating a pervasive "trust deficit" that forces consumers to adopt defensive strategies: they rely heavily on familiar brands, seek recommendations from personal networks, or avoid unfamiliar products altogether, thereby reducing variety and innovation in consumption choices. At the same time, to counteract perceived risks, consumers incur substantial search and verification costs—reading reviews, comparing certifications, visiting physical stores—which add friction to the purchase process and lower overall transaction efficiency. For producers, building trust signals (e.g., third-party certifications, warranties, or advertising campaigns) also entails extra expenses, creating a deadweight loss that neither side benefits from. In the long run, information asymmetry suppresses the willingness to pay for quality, discourages firms from investing in product improvement, and keeps the consumption market trapped in a low-trust, low-value equilibrium. Mitigating these effects demands robust regulatory frameworks, including transparent product labeling, independent quality inspection systems, effective consumer complaint

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mechanisms, and public information platforms that reduce information gaps and restore confidence in the market.

3 Analysis of industry pain points

3.1. Supply-side Structural Contradictions

Path dependence and innovation inertia in traditional industry transformation: Technology path lock-in, market channel rigidity, and management mindset inertia form a "self-reinforcing" lock-in effect; firms are reluctant to change due to sunk costs [2]. Innovation inertia stems from risk aversion and delayed returns—low R&D spending, weak industry-university-research cooperation, insufficient policy incentives, leading to a "low-level competition" trap. Moreover, traditional industries face multiple barriers in digital transformation (capital, talent, technology) and lack replicable templates.

Institutional roots of insufficient new consumption supply: Fragmented policy support (e.g., rural e-commerce subsidies only for logistics, ignoring digital infrastructure), high market access barriers (e.g., "multiple-department approval" for cultural tourism projects), weak IP protection (low infringement costs), and lack of institutional synergy (consumption policies detached from industrial and financial policies)[8]. The regulatory mindset of "heavy control, light activation" leads to the dilemma of "too strict kills, too loose creates chaos," stifling market vitality.

3.2. Demand-side Constraints

Precautionary saving motives: Income volatility (traditional industries are cyclical), social security gaps (urban-rural disparities, limited reimbursement), intergenerational support pressure ("4-2-1" family structure), and the traditional "live within means" consumption concept collectively strengthen precautionary savings, squeezing non-essential consumption space[9]. Low-income groups are more vulnerable and tend to fall into a "poverty trap."

Consumer credit constraints: Imperfect credit information systems, rough risk pricing, and insufficient product innovation lead to low credit availability, especially in rural areas with few financial outlets and limited products, inhibiting consumption upgrading[10]. Credit constraints worsen the "savings-investment" conversion efficiency, forming a vicious cycle of "low consumption-low investment-low growth" and amplifying macroeconomic fluctuations.

3.3. Deep Causes of Supply-Demand Mismatch

Market failure under information asymmetry: Adverse selection drives out high-quality products—e.g., organic agricultural products suffer from information asymmetry; moral hazard accumulates trust deficit; consumers turn to experience-based or herd decisions, producers reduce innovation input, forming a "low trust-low quality-low consumption" vicious cycle.

Erosion by institutional transaction costs: Firms pay high compliance costs (e.g., certification fees) that squeeze innovation space; institutional fragmentation and lag increase market friction—e.g., uncoordinated cross-department policies, complex approval processes, and inefficient consumer rights protection, directly reducing market liquidity and responsiveness.

4. Countermeasures for Consumption Expansion and Quality Improvement in Binzhou

4.1. Supply-side Optimization Path

The Industrial digital upgrading: Governments and enterprises should empower traditional industries with 5G, the industrial internet, AI, and other digital technologies to achieve intelligent equipment, digitalized processes, and platform-based management. In the textile sector, textile enterprises should promote smart weaving and digital twins; in the chemical sector, chemical enterprises should build industrial internet platforms for smart supply chain scheduling. Meanwhile, governments, industry associations, universities, research institutes, and application entities should jointly build a “government-industry-university-research-application” innovation ecosystem, set up digital industry innovation centers, and cultivate digital service providers. Policymakers should implement the gradual pathway of “pilot demonstration-scale promotion-ecological maturity,” using

ISSN 2616-5902 Vol. 8, Issue 9: 111-118, DOI: 10.25236/AJBM.2026.080913

policy guidance, financial support, and technical training to drive the digital transformation of SMEs.

Consumption scenario innovation: Local governments and enterprises should jointly create new consumption scenarios, such as online-offline integration (e.g., AR shopping guides and cloud tourism), experiential consumption (e.g., riverside leisure zones and neighborhood centers), and smart retail (e.g., personalized recommendations). Relevant government departments, industry associations, and enterprise consortia should evaluate these scenarios based on user experience (satisfaction and repurchase rate), market benefits (consumption growth rate), and social value (employment and cultural heritage), and should use the evaluation results to continuously iterate and improve the consumption scenarios.

4.2. Demand-side Activation Strategies

Shandong Income distribution reform: Governments and enterprises should optimize primary distribution by raising the share of labor remuneration and establishing a “skill premium” wage system. In redistribution, governments should improve tax adjustments (e.g., expanding special additional deductions) and transfer payments (e.g., raising rural subsistence standards). In tertiary distribution, governments, social organizations, and enterprises should encourage charitable donations and set up consumption poverty alleviation funds. Policymakers should aim to build an “olive-shaped” income structure to raise the overall propensity to consume.

Consumer finance support: Financial institutions should build a three-dimensional system of inclusiveness (covering long-tail groups, e.g., “Huimeng e-loan”), innovativeness (scenario-based products and smart risk control), and sustainability (risk pricing and asset securitization). Financial institutions and regulatory authorities should establish a full-process risk control system covering “pre-loan, in-loan, and post-loan” stages, including credit verification, dynamic monitoring, and NPL disposal. Governments, financial institutions, and consumer protection organizations should also strengthen consumer financial literacy education to prevent irrational borrowing.

Synergy mechanism: Governments, together with financial regulators and financial institutions, should set up a joint working mechanism for “income distribution-consumer finance” and improve consumer finance infrastructure (e.g., the digital RMB pilot and big data platforms) to ensure policy coordination.

4.3. Supply-Demand Synergy Mechanism Innovation

Government-enterprise data sharing platform: Governments and relevant data governance institutions should design a three-in-one system of standards, security, and operations to realize a closed loop of data collection, processing, sharing, and application. Government departments, together with platform operators and enterprises, should integrate government data (e.g., population and corporate credit data) with consumption data to support “one-stop” government services, consumption scenario innovation, and industrial upgrading. For example, Binzhou's "Rong e-ban" platform reduces financing costs through cross-platform credit sharing.

Demand forecasting-supply response dynamic mechanism: Enterprises should use big data and AI to build hybrid forecasting models (e.g., ARIMA + LSTM) for precise demand capture. Through the data-sharing platform, enterprises and platform operators should collect real-time consumption data; enterprises should then use system dynamics to optimize production, inventory, and logistics decisions and achieve real-time adjustments through dynamic monitoring. Governments, platform operators, and enterprises should jointly form a closed loop of “demand perception—decision optimization—execution adjustment,”ultimately achieving a high-quality development path of “precise demand capture—dynamic supply matching—market efficiency improvement.”

5. Conclusion

From the perspective of the synergistic evolution of the supply side and the demand side, this study systematically analyzes the internal logic and practical dilemmas of consumption expansion and quality improvement for residents in Binzhou. Through theoretical framework construction and logical deduction, the following core conclusions are drawn:

First, consumption expansion and quality improvement are essentially a process of dynamic supply-demand matching. Upgrading industries and technological innovation on the supply side create

ISSN 2616-5902 Vol. 8, Issue 9: 111-118, DOI: 10.25236/AJBM.2026.080913

the material foundation for consumption upgrading, while income growth and enhanced confidence on the demand side provide market orientation for supply innovation. The two are interdependent and evolve in a spiral. The sound development of Binzhou's consumer market depends on breaking the spatiotemporal mismatch between "supply inertia" and "demand leap," and establishing an effective transmission mechanism between industrial base upgrading and the modernization of consumption behavior.

Second, structural contradictions on the supply side are a key bottleneck restricting consumption upgrading. Traditional industries have long been trapped in path dependence and innovation inertia. Technological lock-in and market rigidity make it difficult for them to adapt to the transformation of consumer demand toward quality, experience, and personalization. Meanwhile, new consumption formats are sluggish in growth due to lagging institutional supply, conservative regulatory mindsets, and high market access barriers. The superposition of these factors leads to a dilemma of "difficult upgrading of existing stock and slow cultivation of new increments" in the supply system, fundamentally weakening the attractiveness and competitiveness of the local consumer market.

Third, precautionary saving preferences and consumer credit constraints on the demand side form a dual suppression. The social security system is not yet fully developed, income fluctuation risks are considerable, and traditional consumption concepts are deeply rooted, making residents tend to deposit income as savings rather than consumption. At the same time, the underdevelopment of the consumer finance market, limited credit coverage, and a narrow range of credit products constrain the release of residents' intertemporal consumption capacity. These two factors reinforce each other, lowering the marginal propensity to consume and preventing full conversion of consumption potential into actual purchasing power.

Fourth, information asymmetry and institutional transaction costs are the deep-rooted causes of supply-demand mismatch. The failure of quality signal transmission and the absence of trust mechanisms lead the market into adverse selection where "bad money drives out good." In addition, institutional frictions such as high compliance costs, fragmented policy implementation, and inefficient rights protection significantly raise market operation costs and suppress the matching efficiency between supply and demand. These hidden barriers constitute an "institutional drain" on the vitality of the consumer market.

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